

**MOUNTAIN HUMANE**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2020 AND 2019**

**Table of Contents**

**Financial Statements**

Independent Auditor's Report	3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-11



**Independent Auditor's Report**

To the Board of Directors  
Animal Shelter of the Wood River Valley, Inc.  
dba Mountain Humane  
Hailey, ID 83333

We have audited the accompanying financial statements of Mountain Humane (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain Humane as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mountain Humane and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mountain Humane's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mountain Humane's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mountain Humane's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Arritt Robins Waters CPAs PLLC*

Arritt Robins Waters CPAs PLLC  
March 24, 2021

Phone: (208) 878-3064  
(208) 678-9014  
(208) 436-3139  
Fax: (208) 878-1065

Website : [www.aarwcpa.com](http://www.aarwcpa.com)  
Email: [receptionist@arwcpas.com](mailto:receptionist@arwcpas.com)

1734 Overland  
Burley, ID 83318

# MOUNTAIN HUMANE

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	2,607,048	2,050,549
Investments	34,320	20,143
Pledges/Accounts Receivable - net of discount	158,227	221,809
Prepaid Expenses	12,288	21,414
Inventory	128,920	93,850
Total Current Assets	<u>2,940,803</u>	<u>2,407,765</u>
<b>Property and Equipment</b>		
Land	285,341	344,231
Buildings & Improvements	17,327,022	17,802,114
Equipment	779,661	990,218
Less Accumulated Depreciation	<u>(1,063,361)</u>	<u>(1,098,626)</u>
Net Property and Equipment	<u>17,328,662</u>	<u>18,037,937</u>
<b>Other Assets</b>		
Pledges Receivable - non current portion	<u>174,188</u>	<u>362,098</u>
Total Assets	<u><u>20,443,653</u></u>	<u><u>20,807,800</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	62,819	108,891
Accrued Payroll Liabilities	97,651	149,503
Current Portion of Long-Term Debt	<u>216,000</u>	<u>216,000</u>
Total Current Liabilities	<u>376,469</u>	<u>474,393</u>
<b>Long Term Debt - Net of Current Portion</b>		
	<u>4,356,990</u>	<u>5,184,000</u>
Total Liabilities	4,733,459	5,658,393
<b>Net Assets</b>		
Without donor restrictions		
Available for program and supporting activities	2,735,815	2,320,301
Net investment in fixed assets	<u>12,755,672</u>	<u>12,637,937</u>
Total without donor restrictions	15,491,488	14,958,238
With donor restrictions	<u>218,706</u>	<u>191,168</u>
Total Net Assets	<u>15,710,194</u>	<u>15,149,406</u>
Total Liabilities and Net Assets	<u><u>20,443,653</u></u>	<u><u>20,807,800</u></u>

See accompanying notes to the financial statements.

# MOUNTAIN HUMANE

## STATEMENT OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>						
Monetary Contributions	1,709,554	75,174	1,784,728	155,791	562,377	718,169
Contributed Goods and Services	311,448	-	311,448	279,506	27,246	306,752
Non-Government Grants	71,241	225,000	296,241	5,275	273,050	278,325
Auction Revenue (Net of direct costs)	204,873	12,550	217,423	387,588	4,825	392,413
Sales - Thrift Store	248,806	-	248,806	296,138	-	296,138
Program Service Revenue	227,016	-	227,016	193,764	-	193,764
Investment Income (Loss)	3,414	389	3,803	14,498	15,961	30,459
Other Revenue	-	-	-	(18,129)	-	(18,129)
<b>Total Revenues</b>	<b>2,776,351</b>	<b>313,113</b>	<b>3,089,465</b>	<b>1,314,432</b>	<b>883,459</b>	<b>2,197,891</b>
<b>Net Asset Restriction Transfers</b>						
Use for restricted purpose	293,054	(293,054)	-	1,195,473	(1,195,473)	-
<b>Expenses</b>						
Program Services						
Animal Shelter	2,290,525	-	2,290,525	2,950,064	-	2,950,064
Thrift Store	244,702	-	244,702	313,309	-	313,309
Total Program Services	2,535,227	-	2,535,227	3,263,373	-	3,263,373
Supporting Services						
Fund Raising	249,993	-	249,993	239,266	-	239,266
Capital Campaign	-	-	-	194,467	-	194,467
General & Administrative	320,475	-	320,475	208,117	-	208,117
Total Supporting Services	570,468	-	570,468	641,850	-	641,850
Total Expenses	3,105,695	-	3,105,695	3,905,222	-	3,905,222
<b>Change in Net Assets from Operations</b>	<b>(36,290)</b>	<b>20,059</b>	<b>(16,230)</b>	<b>(1,395,318)</b>	<b>(312,014)</b>	<b>(1,707,332)</b>
<b>Non-operating Income</b>						
Government Loan Forgiveness Gains(Losses)	502,259	-	502,259	-	-	-
on Sale of Fixed Assets	69,735	-	69,735	-	-	-
Unrealized Gains(Losses) on Investments	(2,454)	7,478	5,024	(6,487)	(51,628)	(58,115)
<b>Total Change in Net Assets</b>	<b>533,250</b>	<b>27,538</b>	<b>560,788</b>	<b>(1,401,805)</b>	<b>(363,642)</b>	<b>(1,765,446)</b>
<b>Beginning Net Assets</b>	<b>14,958,238</b>	<b>191,168</b>	<b>15,149,406</b>	<b>16,360,042</b>	<b>554,810</b>	<b>16,914,852</b>
<b>Ending Net Assets</b>	<b>15,491,488</b>	<b>218,706</b>	<b>15,710,194</b>	<b>14,958,238</b>	<b>191,168</b>	<b>15,149,406</b>

See accompanying notes to the financial statements.

# MOUNTAIN HUMANE

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020					Total
	Program Services		Fund Raising	Supporting Services		
	Animal Shelter	Thrift Store		Capital Campaign	General & Admin	
Wages and Benefits	1,256,408	129,150	140,729	-	140,154	1,666,442
Contract Services	12,435	588	285	-	46,681	59,987
Marketing & Communications	16,475	1,099	26,309	-	551	44,434
Nonpersonnel Expenses	40,714	4,377	5,330	-	5,551	55,972
Facility & Equipment Expenses	122,776	13,100	-	-	-	135,876
Travel & Meeting	1,262	342	84	-	138	1,826
Other Animal Specific Expenses	155,839	-	-	-	-	155,839
Other Expenses	16,715	12,007	21,222	-	25,790	75,733
In Kind Goods & Services	114,090	40,200	11,400	-	7,019	172,709
Interest Expense	132,678	-	-	-	36,328	169,007
Depreciation Expense	421,132	43,840	44,635	-	58,263	567,870
Total	<u>2,290,525</u>	<u>244,702</u>	<u>249,993</u>	<u>-</u>	<u>320,475</u>	<u>3,105,695</u>
	2019					
	Program Services		Fund Raising	Supporting Services		Total
	Animal Shelter	Thrift Store		Capital Campaign	General & Admin	
Wages and Benefits	2,081,345	208,566	139,292	143,001	125,011	2,697,215
Contract Services	17,061	6,294	(2,870)	3,258	24,590	48,333
Marketing & Communications	49,896	5,844	31,245	10,288	755	98,028
Nonpersonnel Expenses	74,951	5,196	7,295	3,269	4,028	94,739
Facility & Equipment Expenses	158,654	25,949	860	1,455	1,077	187,995
Travel & Meeting	10,404	346	49	728	-	11,527
Other Client Specific Expenses	198,495	-	5	47	-	198,547
Other Expenses	36,009	10,164	28,434	32,420	14,067	121,095
In Kind Goods & Services	17,142	27,859	-	-	3,961	48,962
Interest Expense	60,445	-	-	-	17,632	78,077
Depreciation Expense	245,661	23,091	34,957	-	16,997	320,706
Total	<u>2,950,064</u>	<u>313,309</u>	<u>239,266</u>	<u>194,467</u>	<u>208,117</u>	<u>3,905,222</u>

See accompanying notes to the financial statements.

# MOUNTAIN HUMANE

## STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	560,788	(1,765,447)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	567,870	320,706
Accumulated depreciation of disposed fixed assets	(603,135)	(5,412)
(Increase) Decrease in accounts receivable	251,492	1,116,776
(Increase) Decrease in inventory	(35,070)	(47,950)
(Increase) Decrease in prepaid expenses	9,126	(11,001)
Increase (Decrease) in accounts payable	(46,072)	(538,638)
Increase (Decrease) in payroll liabilities	(51,852)	3,754
	<u>653,147</u>	<u>(927,212)</u>
<b>Cash Flows From Investing Activities</b>		
(Increase) Decrease in Investments	(14,178)	2,031,561
(Acquisition) Disposition of fixed assets	744,540	(3,994,222)
	<u>730,362</u>	<u>(1,962,661)</u>
<b>Cash Flows From Financing Activities</b>		
Increase (Decrease) in Line of Credit	-	(852,571)
New Long Term Debt	-	5,400,000
Payments on Long Term Debt	(827,010)	-
	<u>(827,010)</u>	<u>4,547,429</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	556,499	1,657,556
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>2,050,549</u>	<u>392,993</u>
<b>Cash and Cash Equivalents at Ending of Period</b>	<u><u>2,607,048</u></u>	<u><u>2,050,549</u></u>
<b>Supplemental disclosure</b>		
Interest paid in cash.	\$ 169,007	\$ 78,007

See accompanying notes to the financial statements.

# MOUNTAIN HUMANE

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Activity** – Animal Shelter of the Wood River Valley, Inc. dba Mountain Humane, located in Hailey, Idaho, is a non-profit organization that provides temporary shelter for homeless pets and adoption to qualified homes. The Organization also promotes animal welfare through community education and spay/neuter services. The Shelter serves as the impound facility for the Blaine County Animal Control Program. The Organization also operates a thrift store (The Barkin Basement) in Hailey to promote and support shelter operations. The Organization is governed by its board of directors, as dictated by its bylaws.

**Basis of Presentation** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States for not-for-profit organizations, as codified by the Financial Accounting Standards Board. Those principles require reporting amounts for an organization's total assets, liabilities, and net assets in a statement of financial position; reporting the change in an organization's net assets in a statement of activities; and reporting the change in its cash and cash equivalents in a statement of cash flows.

Those principles also require classification of an organization's net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions into two separate classes of net assets - those with donor restrictions and those without donor restrictions.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** – The Organization considers all highly liquid deposits with a maturity of three months or less to be cash and cash equivalents.

**Recognition of Donor Restrictions** – The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated revenue. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

**Donated Goods and Services** – Donated goods and specialized services are recorded as in kind revenue and corresponding expense at their estimated market value. A number of volunteers have contributed their time to the activities of the Organization without compensation which has not been recorded on the financial statements.

**Inventory** – Consists of donated goods for sale at the thrift store and donated art work for sale. Inventory is recorded at estimated market value.

**Property and Equipment and Depreciation** – Fixed assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of donated assets. Items under the Organization's capitalization threshold are expensed in the period of purchase or donation. Capitalized items are depreciated on a straight-line basis over their estimated useful lives.



**Income Taxes** - The Organization is a non-profit organization which is not a private foundation. Mountain Humane has obtained exemption from federal and state income taxes under I.R.C. Section 501 (c)(3) and related Idaho State code provisions. Accordingly, no provision for income taxes has been made in the financial statements.

FASB ASC 740-10 requires disclosure of uncertain tax positions and their corresponding estimated values. As of period end, the Company had no reportable uncertain positions. Open tax years are calendar years 2017 and forward.

**Functional expense allocation** - Direct expenses are costed directly to the related function. Indirect expenses are allocated based on standard percentages to estimate the benefit to each function.

**Revenue recognition** - The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

**New Accounting Pronouncements** - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. The Organization is implementing this standard as of January 1, 2019, but has no related changes to its financial statements.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The Organization implemented this standard effective fiscal year 2019.

## **NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at years' end are summarized as follows:

	2020		2019	
	FDIC Insured	Uninsured	FDIC Insured	Uninsured
Zions Bank	\$ 250,000	\$ 79,308	\$ 250,000	\$ 176,248
DL Evans Bank	-	-	113,417	-
Schwab - Cash Equivalents	472,731	1,804,284	299,798	1,209,649
Cash on Hand	-	725	-	937
Total Cash	<u>\$ 722,731</u>	<u>\$ 1,884,316</u>	<u>\$ 663,216</u>	<u>\$ 1,386,833</u>

Amounts included with Schwab uninsured cash equivalents are held in US Treasury backed money market funds.

## **NOTE 3 – INVESTMENTS**

The Organization applies the provisions of ASC 820 for fair value measurements of investments. It has investments valued only under Level 1, quoted prices for identical assets or liabilities in an active market. The quoted prices and related fair market values are as of fiscal year end, as follows:

	2020	2019
Common stocks and options	\$ 10,481	\$ -
Corporate bonds	-	-
Mutual funds	23,839	20,143
Other equities	-	-
	<u>\$ 34,320</u>	<u>\$ 20,143</u>

Corporate bonds with maturities of greater than one year are classified as non-current.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the statement of financial position. However, the diversification of the Organization's invested assets, as dictated by its written investment policy, should mitigate the impact of any dramatic change in market values.

Investment income includes interest, dividends and net gains and losses from sales of securities. The amount of net unrealized gains (losses) included in investment income was \$5,024 and (\$58,115) for 2020 and 2019, respectively. Related investment expense reported as other expense in the statement of functional expenses was \$5,173 and \$4,079, for years 2020 and 2019, respectively.

**NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

Financial assets available for general expenditures within one year of the statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and equivalents	\$ 2,607,048	\$ 2,050,549
Investment securities	34,320	20,143
Total	<u>2,641,368</u>	<u>2,070,692</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	218,706	191,168
Lender required minimum balance	500,000	500,000
Board-designated quasi-endowment funds	-	-
Total	<u>718,706</u>	<u>691,168</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 1,922,662</u>	<u>\$ 1,379,524</u>

**NOTE 5 – PLEDGES/ACCOUNTS RECEIVABLE**

Receivables at year end were as follows:

	<u>2020</u>	<u>2019</u>
Contracts/other receivables	\$ 11,075	\$ 12,169
Pledges Receivables	332,153	592,115
Discount (rate 2.5%)	<u>(10,813)</u>	<u>(20,377)</u>
	<u>\$ 332,415</u>	<u>\$ 583,907</u>

**NOTE 6 – PROPERTY AND EQUIPMENT**

Changes in property and equipment during 2020 and 2019 were as follows:

	<u>Beg Bal</u>	<u>Additions</u>	<u>Disposals</u>	<u>End Bal</u>
<b>2020</b>				
Land	\$ 344,231	\$ -	\$ (58,890)	\$ 285,341
Construction In Progress	-		-	-
Buildings/Improvements	17,802,114	42,749	(517,842)	17,327,021
Equipment	990,218	60,311	(270,868)	779,661
Accumulated Depreciation	<u>(1,098,626)</u>	<u>(567,870)</u>	<u>603,135</u>	<u>(1,063,361)</u>
	<b>18,037,937</b>	<b>(464,810)</b>	<b>(244,465)</b>	<b>17,328,662</b>
<b>2019</b>				
Land	\$ 404,641	\$ -	\$ (60,410)	\$ 344,231
Construction In Progress	13,620,287		(13,620,287)	-
Buildings/Improvements	659,297	17,154,271	(11,454)	17,802,114
Equipment	458,116	540,129	(8,027)	990,218
Accumulated Depreciation	<u>(783,333)</u>	<u>(320,706)</u>	<u>5,413</u>	<u>(1,098,626)</u>
	<b>14,359,008</b>	<b>17,373,694</b>	<b>(13,694,764)</b>	<b>18,037,937</b>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Animal medical/surgical care	\$ 2,063	\$ 9,766
Animal nutrition	39,956	4,558
Community outreach	109,517	112,455
Property Lease	30,467	42,047
Youth Education	24,366	20,331
Other specific animal needs	12,337	2,011
	<b><u>\$ 218,706</u></b>	<b><u>\$ 191,168</u></b>

**NOTE 8 - RETIREMENT PLAN**

The Organization sponsors a 403(b) plan under which it contributed 3% of eligible employees' compensation through 2019. The company contributed \$50,575 during 2019. The Organization suspended company contributions to the plan in 2020.

**NOTE 9 – CAPITAL CAMPAIGN**

The Organization's capital campaign was for its new facility - which was completed in 2019.

**NOTE 10 - LONG TERM DEBT**

The Organization has a term loan from Zions Bank with the following terms: 3.12% variable rate, maturity on April 1, 2029, secured by real property and \$500,000 minimum balance in investment securities. Required principal and interest payments are due as follows:

	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total Payment</u></b>
2021	216,000	135,938	\$ 351,938
2022	216,000	133,246	\$ 349,246
2023	216,000	126,511	\$ 342,511
2024	216,000	119,776	\$ 335,776
2025	216,000	113,041	\$ 329,041
Later	3,492,990	335,264	3,828,254
Total	<b><u>\$ 4,572,990</u></b>	<b><u>\$ 963,776</u></b>	<b><u>\$ 5,536,766</u></b>

**NOTE 11 - PPP LOAN**

The Organization received a \$502,259 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was foregiven in December 2020, in accordance with SBA guidelines.

**NOTE 12 – CHANGE IN ACCOUNTING CLASSIFICATION**

The Company will not net bank fees, investment expenses, and specific auction direct costs to related revenue accounts. These items will now be reported as other expenses on the statement of functional expenses. Previously reported 2019 amounts have been updated for these changes.

**NOTE 13 – EFFECTS OF COVID 19 PANDEMIC**

The Company's current and future operations have been and may be affected by the global Covid 19 pandemic. Any such effects have not been estimated.

**NOTE 14 - SUBSEQUENT EVENTS**

Any subsequent events have been evaluated as of March 24, 2021 the date the audited financial statements were available to be issued.